

Wasatch Front North: Davis, Morgan, Weber

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Wages in Northern Utah

Wages in Northern Utah...The Study Continues

This is a continuation of the discussion about wages which began in the March issue of Wasatch North Workforce News. This article expands the analysis to all of the northern Utah counties.

Did Average Monthly Wages Increase Between 2004 & 2005?

Yes. Remember wages need to increase just to cover the change in the purchasing power of your dollar—inflation. But that's a discussion for another time. Between 2004 and 2005 wage levels did bump up for the state and its northern counties. Some areas fared better than others (see graph). Overall, wages increased across the Beehive State to the tune of 3.6 percent. In Box Elder County the change was 7.9 percent, and in Rich County wages zoomed up by 9.2 percent. That makes the percent changes in northern Utah's populated counties look puny. (Just remember that in the small counties with much lower employment bases, it doesn't take a big change in employment to significantly impact the rate of change.) Davis County logged in a 2.5-percent increase, with Weber close behind at

2.4 percent. Cache wages increased at less than half the pace of wage increases in Utah, with a 1.8-percent change from 2004 to 2005. One reason for the small increase is the growth in lower-wage jobs and because larger number or available workers. Only Box Elder, Morgan, and Rich counties exceeded the state average increase in wages.

And the Average Wage in Your County Is...

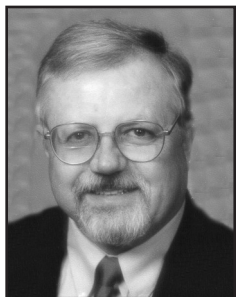
The second graph presents the average monthly wage for each of the six northern Utah counties. The state's average wage for 2005 was \$2,736—up by 3.6 percent from the 2004 figure of \$2,641. For the northern counties, Box Elder has the highest average wage, due primarily to the preponderance of higher-paying manufacturing companies. Over 40 percent of Box Elder's total employment is in manufacturing compared to the state average of 10 percent. Box Elder ranks fourth among the counties in average monthly wage.

Davis County's average wage—\$2,713—was next in order. Its wage was slightly less than the state average

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Inside:

- ✦ New Occupational Wage Data available
- ✦ Davis County, about twice as fast as the U.S.



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(continued)

of \$2,736. Weber County reported an average 2005 wage of \$2,471, well below the state average. Morgan County listed an average monthly wage of \$2,240 for its small employment base. Payroll workers in Cache County earned an average of \$2,080 in 2005. Scant increases in wages in this county relate to the demographic of a large, young, college-age workforce. Its relative position in terms of wages is lower. Rich County has the dubious honor of claiming the lowest average wage in the six northern counties. This is due to its small employment base with jobs concentrated in the lower-paying seasonal, hospitality and recreation industries. Please note that some of the individuals employed in Rich county are proprietors and self-employed. They don't appear on the payroll records used to calculate the average payroll wage.

Remember, wages are determined by the economy and labor market. Workers in occupations that are in high demand can expect the wage to be bid up as employers compete for those skills in demand. In markets where a surplus of workers exists, particularly in low and semi-skilled jobs, one can expect that wages will be lower.

For more county and wage information:

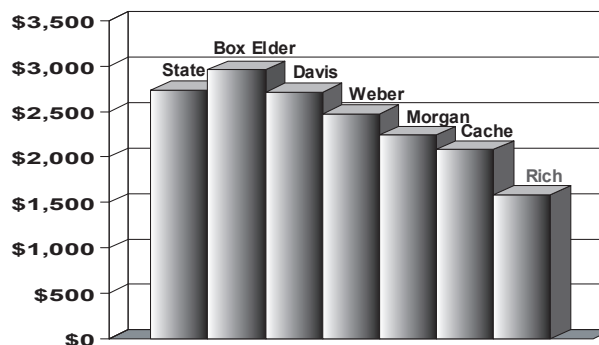
<http://jobs.utah.gov/jsp/wi/utalmis/default.do>

<http://jobs.utah.gov/opencms/wi/regions/local.html>

New Occupational Wage Data Available

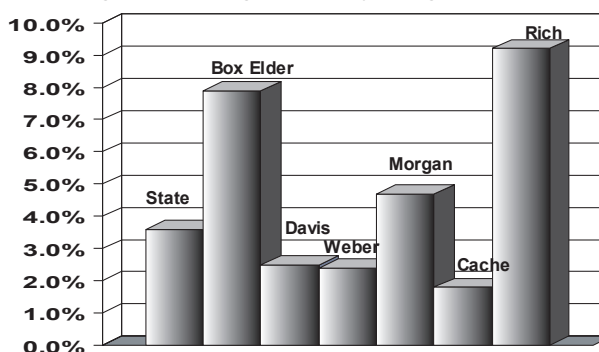
Time for data treats for wage data junkies. The Department of Workforce Services is releasing occupational wage information from our Occupational Employment Statistics (OES) Survey for a new configuration of areas. For those in Cache Valley, we have a new MSA (metropolitan statistical area). The geography includes Cache County, Utah and Franklin County Idaho. Also, wage data will be available for the first time for the Box Elder County area (includes Rich County too). The new Ogden-Clearfield MSA occupational wage data is also available. Previously, this area was included in the Salt Lake-Ogden MSA. Wage data has, in the past, been released in the combined county area called Davis, Morgan, and Weber. This area is now an official MSA called Ogden-Clearfield. To see this new wage data, log on to <http://jobs.utah.gov/opencms/wi/pubs/wni/>.

Northern Utah Counties
Average Monthly Wage – 2005_p



p = preliminary
Source: Utah Department of Workforce Services

Northern Utah Counties
Change in Average Monthly Wage – 2004 2005_p



p = preliminary
Source: Utah Department of Workforce Services

County News

Davis County: Job growth is growing at a very fast pace and unemployment is low, which is good news for Davis County's economy. December year-over job growth was 3.8 percent—about the same as the state and more than twice as fast as the U.S. (1.5 percent). Nearly 3,600 new jobs were created in the county last year. About 1,100 of them were in the construction industry with manufacturing actually losing about 75 positions between December 2004 and December 2005. Nearly 2,500 payroll additions were registered in the service-producing sectors of finance, professional and technical services, and administrative support. Government added about 650 new slots, 200 of which were in federal and 370 in local jurisdictions. All this growth pushed the unemployment rate to 3.4 percent for March of 2006, down from 4.2 percent since last March. The economy is fueled by consumer spending, which was up 10 percent between fourth quarters of 2004 and 2005. More spending means more jobs, period. Spending is also apparent in the 12-percent increase in construction activity. Nearly \$135 million of the total \$160 million in valuation was in the residential portion of construction. To cut to the chase, Davis County is cookin'. All the economic indicators are positive and growing.

Morgan County: Even with Morgan County's unemployment rate at a low 3.5 percent, the economy is just holding its own. Actually about ten jobs were lost in the year-over comparison (December 2004 to December 2005). All gains of 39 or so new jobs in service industries were offset by a loss of 40 jobs in the construction and manufacturing sectors. Unemployment has slid down from 4.2 percent last March to 3.5 percent for March of 2006. Retail sales in the county were registered at the \$13.7 million level both in fourth quarter of 2004 and fourth quarter of 2005. That's no change. Remember much of the heavy shopping by county residents is in either Davis or Weber county malls or big-box stores. Building activity in Morgan County was up substantially with housing jumping from 14 to 33 permits between the first quarters of 2005 and 2006. Valuation was also huge with new residential activity, increasing from the \$2.5 million to \$6.8 million in the year-over comparison. Even with virtually no new jobs in the December comparison, the construction activity really buoyed the local economy.

Weber County: Unemployment in the county dropped a full percentage point between March of 2005 and March of 2006, from 5.1 percent to 4.1 percent. At the same time the county experienced job growth, but not much. The rate of growth between December of 2004 and 2005 was 0.8 percent, or about 760 new jobs. Goods-producing industries netted 380 jobs but that included a loss of 210 manufacturing jobs that offset a big increase in construction. Service-producing industries added about the same number as goods-producing—380. Industries where new jobs were more prevalent were professional business services and healthcare. Government actually showed a year-over job reduction of around 70 positions. Finance activities also improved. Consumer spending during fourth quarter of 2004 increased by 7.2 percent. About \$773 million was spent during the October-November-December period of 2005. Most of this volume occurred in the retail trade sector where \$473 million traded hands. Construction activity cranked up with a 17-percent improvement in the first quarter 2005 to 2006 period. This was fueled by an increase in the residential side of the ledger with nearly \$42 million in new residential valuation. Nonresidential valuation was \$4.6 million. All together, the Weber County economy just keeps slugging along. Good positive growth in all economic indicators. Better yet would be an increase in the number of manufacturing jobs

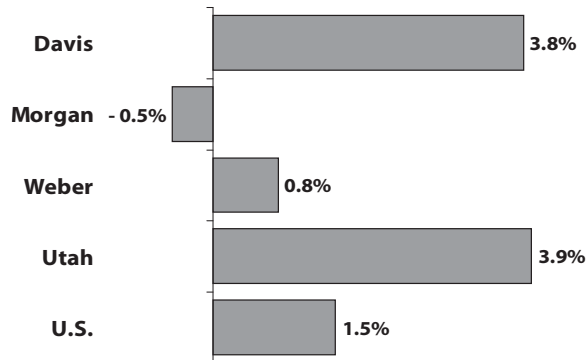
What's Up?

- ✧ Local aerospace and technology companies that would normally compete for business are working together to make Utah a globally recognized center of composite-material technology. Firms that produce everything from water skis to airplane parts out of carbon fiber and other advanced materials have expanded or moved to the Top of Utah.
- ✧ Two major residential developments along Redwood Road are paving the way for more than 430 new homes in Woods Cross.
- ✧ Utah officials are breaking ground today on the state's largest road reconstruction project since the pre-Olympic expansion of I-15 in Salt Lake County. For the next three years, orange barrels will line a 4 ½ -mile stretch of I-15 in Weber County as crews fix bridges and intersections and build an additional lane from 31st Street in Ogden to 12th Street in Marriott-Slaterville.

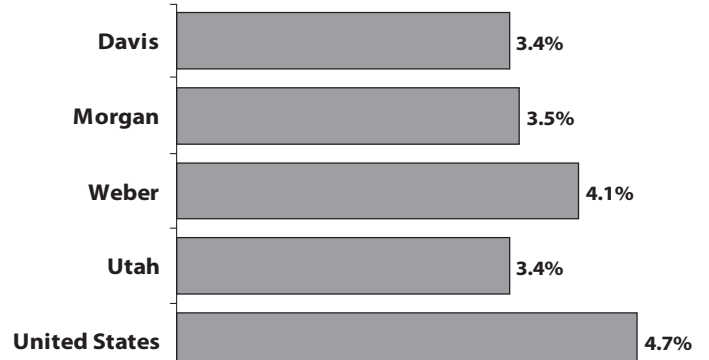
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Change in Wasatch Front North Non-farm Jobs December 2004 to December 2005



Seasonally Adjusted Unemployment Rate Wasatch Front North March 2006



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

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